

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 343 – SB 997

March 25, 2014

SUMMARY OF ORIGINAL BILL: Authorizes the Office of the Attorney General and Reporter (Attorney General) to notify a public benefit hospital of the Attorney General's determination to object to a proposed public benefit hospital conveyance transaction within 60 days of receipt of notice of the proposed transaction, instead of 45 days. The joint annual report filed by all hospitals licensed by the Department of Health or by the Department of Mental Health and Substance Abuse Services is required to also include a report on community benefits provided by hospitals required to make a report. Prohibits the Commissioner of Revenue from exercising measures for enforcement against a taxpayer having not-for-profit status when the Commissioner fails or refuses to recognize an exemption or exception for the taxpayer unless and until the taxpayer's appeal is finally adjudicated.

FISCAL IMPACT OF ORIGINAL BILL:

Increased State Expenditures – Not Significant

Other Fiscal Impact - The Department of Revenue will be prohibited from taking any enforcement action against a not-for-profit taxpayer unless or until the taxpayer's appeal is adjudicated which could permit a taxpayer to avoid payment after final adjudication. The fiscal impact of this prohibition cannot be quantified.

SUMMARY OF AMENDMENT (014038): Deletes all language after the enacting clause. Redefines a "public benefit hospital conveyance transaction" to specify that the disposition of a material amount of assets or operations transaction or the transfer of control or governance is from any public benefit hospital entity to an entity or person other than another public benefit hospital entity that controls or is controlled by or under common control with such public benefit hospital entity. Includes any transaction entered into by the public benefit hospital entity, or by any entity that controls, is controlled by or is under common control with such public benefit hospital entity.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

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Assumptions for the bill as amended:

- According to the Attorney General's Office, the provisions of the bill will not significantly affect their current operations. Any fiscal impact will not be significant and can be accommodated within existing resources.
- According to the Departments of Health and Revenue, the provisions of the bill will not have a significant fiscal impact on the departments' existing resources.
- Any fiscal impact will be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/kml